

Peterson Wells

- These wells have already been drilled and are subject to a 50% risk penalty.
- Select [Lease Sale and Lease Sale Information](#) link for more information.

DEPARTMENT OF NATURAL RESOURCES
AND CONSERVATION

Trust Land Management Division



STEVE BULLOCK, GOVERNOR

1625 ELEVENTH AVENUE

DIRECTOR'S OFFICE (406) 444-2074
TELEFAX NUMBER (406) 444-2684

PO BOX 201601
HELENA, MONTANA 59620-1601

September 17, 2015

Attn: Geoff Poole, Landman-Bakken
WPX Energy
P.O. Box 3102
Tulsa, OK 74101-3102

Re: Well Proposals
Peterson 6-5-4HQ, Peterson 6-5-4HD, Peterson 6-5-4HZL, Peterson 6-5-4HC
Township 150 North, Range 91 West
Sections 4, 5, and 6
McLean County, North Dakota

Dear Mr. Pool:

As we discussed, the Department of Natural Resources and Conservation has an MOU with the Department of Fish, Wildlife and Parks (DFWP) which authorizes our department to issue and manage oil and gas leases on their behalf where state-owned mineral rights belong to them. In this instance, the DFWP was deeded partial undivided mineral interests in lands located in North Dakota from the Estate of William Kamps. The DFWP's interest in this spacing unit is unleased. Once acquired by the state agency, these lands became "state lands," and therefore subject to statutes that provide for leases to be issued through oral auction.

It is with that background that I have enclosed the election letters for the above-referenced proposed wells. As the mineral owner, we are eager to see these wells drilled, but have elected not to participate in the costs of the drilling and completion of these wells. Our next quarterly lease auction is December 1, 2015 and we have included DFWP's ownership interest on that sale. You should have received information relating to the December 1st sale, including a preliminary tract list and a website link to additional information.

Please keep us apprised of your progress in drilling and completing these wells. We understand that any production revenues attributable to the DFWP's interest will be subject to non-consent cost recovery provisions for unleased minerals, as well as the statutory royalty rate while the interest is unleased. DFWP's ownership is also subject to withholding for production and oil extraction taxes. Royalty revenues will be receipted and processed through our agency, and then distributed to DFWP's account for these funds. Please have WPX revenue disbursement staff contact me when we get to that point.

In the meantime, please contact me if you have any questions regarding the DFWP ownership interest or the lease sale. I can be reached at 406-444-3843.

Sincerely,

A handwritten signature in cursive script that reads "Monte G. Mason".

Monte G. Mason
Minerals Management Bureau Chief

Enc.

WPXENERGY

August 24, 2015

Via Certified Mail RRR

Region 1, Hooked on Fishing, Montana Fish, Wildlife & Parks
490 North Meridian Road
Kalispell, MN 59901

WPX Energy Williston, LLC
Geoff Pool, Landman
geoff.pool@wpxenergy.com
3500 One Williams Center
P.O. Box 3102
Tulsa, OK 74101-3102
539-573-6843 (desk)
539-573-1963 (fax)

Re: Peterson 6-5-4HD Well Proposal
Sections 4, 5 and 6, T150N-R91W
McLean County, North Dakota

Benjamin J. Larson: FWP

WPX Energy Williston, LLC, ("WPX"), f/k/a Dakota-3 E&P Company, LLC as an owner of an interest in the oil and gas leasehold estate in and under Sections 4, 5 and 6, T150N-R91W, McLean County, North Dakota, hereby submits this proposal for the drilling of the Peterson 6-5-4HD well. Sections 4, 5 and 6 together constitute the designated drilling and spacing unit for the well.

The Peterson 6-5-4HD well has been planned as a horizontal Bakken Pool test with an approximate surface location at 439' FSL and 383' FEL in Section 1, T150N-R92W. After entering the Bakken Pool in the SE/4SE/4 of Section 1, WPX plans to drill horizontally to the East with the terminus of the wellbore located approximately at 550' FSL, and 250' FEL in the SE/4SE/4 of Section 4, T150N-R91W. A survey plat reflecting the above-described well location and path is attached; however the actual location of the surface hole and/or bottom hole may vary from those outlined in this proposal and reflected on the attached plat.

According to the title information now available for these sections, you own 11.697600 net mineral acres (0.620062% Working Interest) in Sections 4, 5 and 6. As set forth in the attached AFE, the estimated dry hole cost for the Peterson 6-5-4HD well is \$3,336,604 with an estimated completion cost of \$6,157,041 for a total estimated completed well cost of \$9,493,645. Please note these estimated costs are subject to change.

Each interest owner has until thirty (30) days from receipt of this proposal to elect whether to participate in the proposed well. If you wish to participate in the drilling operations for the Peterson 6-5-4HD well, please indicate your election to participate or lease your interest in the space provided below and return a copy of this letter to my attention. Please confirm your election to participate, and your support of WPX Energy Williston, LLC as operator of the related spacing unit, by signing and returning the attached AFE and returning a copy to my attention. Upon receipt of an election to participate and signed AFE, WPX will begin invoicing you as well costs are incurred. Your estimated share of the total completed well costs is \$58,867

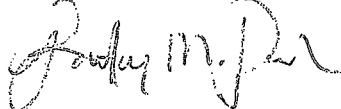
Should you elect not to participate or lease your interest(s) in the proposed operations as outlined herein, please so indicate in the space provided below, and return a copy of this letter to my attention. Please note that in the event any owner offered an opportunity to participate elects not to participate or fails to elect timely in the operations; WPX plans to impose a risk penalty as provided for by North Dakota law, pursuant to N.D.C.C. §38-08-08(3). Any nonparticipating owner may object to the risk penalty by either responding in opposition to the petition for a risk penalty, or if no such petition has been filed, by filing an application or request for a hearing with the North Dakota Industrial Commission. Please note, if you have previously executed a Joint Operating Agreement ("JOA") covering Sections 4, 5 and 6, the terms of said JOA will supersede N.D.C.C. §38-08-08(3).

The Peterson 6-5-4HD well currently has an anticipated spud date of October 15, 2015. As such, your timeliest decision regarding participation is appreciated. If you have not previously executed a Joint Operating Agreement covering Sections 4, 5 and 6 and elect to participate in the Peterson 6-5-4HD well, and you wish to receive well data, please submit pre-payment in full for your proportionate share of costs for the attached AFE, along with a current well information data sheet. Please note the Peterson 6-5-4HD well is scheduled to be batch drilled with the Peterson 6-5-4HC, Peterson 6-5-4HQ, and Peterson 6-5-4HZL.

Should you have any questions regarding the above provided information, please do not hesitate to contact the undersigned by phone at (539) 573-6843, or by email at geoff.pool@wpxenergy.com.

Regards,

WPX ENERGY WILLISTON, LLC



Geoffrey M. Pool
Landman, Bakken

Enclosures: (2)

Region 1, Hooked on Fishing, Montana Fish, Wildlife & Parks

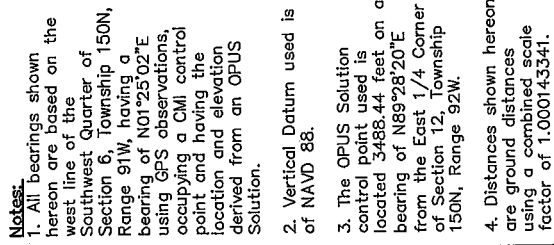
☐ Elect to participate in the drilling & completion of the Peterson 6-5-4HD Well

☒ Elect not to participate in the drilling & completion of the Peterson 6-5-4HD Well

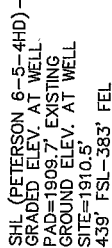
☐ Elect to lease your minerals in Sections 4, 5 and 6, T150N-R91W, McLean County, ND:

\$2,000.00/ac bonus; 18.00% royalty; 3 year primary term, with an agreed upon lease form (example provide herein)

By: Monte & Mason
Title: Minerals Management Bureau Chief, MT-DNR C
Date: 9/17/2015
Email: mmason@mt.gov
Phone: 406-444-3843



Found Monument
Calculated Corner
Bottom Hole Location
Surface Hole Location



1. All bearings shown hereon are based on the west line of the Southwest Quarter of Section 6, Township 150N, Range 91W, having a bearing of N01°25'02"E using GPS observations, occupying a CMI control point and having the location and elevation derived from an OPUS Solution.

2. Vertical Datum used is of NAVD 88.

3. The OPUS Solution control point used is located 3488.44 feet on a bearing of N89°28'20"E from the East 1/4 Corner of Section 12, Township 150N, Range 92W.

4. Distances shown hereon are ground distances using a combined scale factor of 1.000143341.

THE SE 1/4 OF THE SE 1/4 OF
SECTION 1, TOWNSHIP 150N, RANGE 92W,
MOUNTRAIL COUNTY, NORTH DAKOTA

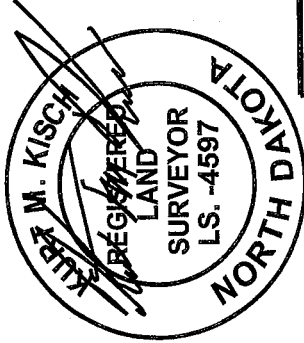
JOB NO:	5252	DATE:	11/13/14
REVISIONS: 11/17/14, 11/19/14, 12/16/14			

ENVIRONMENTAL • ENGINEERING • SURVEYING
600 South 2nd Street, Suite 105
Bismarck, ND 58504
www.carlsonmccain.com

WELL LOCATION PLAT
PETERSON 6-5-4HD
~ WPX ENERGY WILLISTON, LLC

	Geographic NAD 83				Elevation
	Dec. Min. Dec'mal Seconds		Decimal Degrees		
	Latitude	Longitude	Latitude	Longitude	
PETTERSON 6-S-4HD (SHL)	47°50'03.87"	102°37'13.15"	47.834007°	102.387252°	438' FSL 383' FEL
PETTERSON 6-S-4HD (JBL)	47°48'19.91"	102°19'27.31"	47.804968°	102.323064°	558' FSL 250' FEL

Kurt M. Kisch Registered Land Surveyor
Registration No. 4597
State of North Dakota



3077-WPX ENERGY WILLISTON LLC AFE # (WT42331-62425741), Pending Approval											
Well Name: PETERSON 6-5-4HD						Well#: 62425741			Field: VAN HOOK		
Location: SESE 1-150N-92W						County: MOUNTRAIL			State: ND		
BHL: SESE SEC 4 T150N R91W 550 FSL 250 FEL						SHL: SESE SEC 1 T150N R92W 439 FSL 383 FEL					
Formation: BAKKEN						Total Depth: 25513.0			Days:		
Effective Date: 08/20/2015						Type Code: Development			Desc:		
Budget No: FP1117676-2015 WILLISTON OPERATED						Aries ID:			Pad Name: PETERSON PAD		
Operator: WPX ENERGY WILLISTON LLC						Asset Group: WILLISTON			Proj Manager: Jackson, Jim		
AFE Drill & complete a Middle Bakken well with a TMD of 25,513 feet and lateral length of 15,772 feet in 26 days.											
8500	8600	Tangible									
Tubular Goods											
DRL	CMP	Line Item	Feet	Size	Wt.	Grade	Conn	\$/FT	DRILL	COMP	TOTAL
8750		TDC-CONDUCTOR/DRIVE PIPE	80					125	10000	0	10000
8810		TDC-INTERMEDIATE CASING	10373	7"	32#	P-110	LTC	17.6	182564	0	182564
8889		TDC-SURFACE CASING	2000	9-5/8"	36#	N-80	LTC	15.3	30600	0	30600
	8232	TCC-TIE BACK CASING STRING							0	0	0
	8902	TCC-TUBING & ACCESSORIES	10000	2-3/8"	4.7#	N-80	EUE 8RD	4.25	0	42500	42500
	8931	TCC-PRODUCTION LINER		4-1/2"	13.6#	P-110	LTC		0	125459	125459
Other Equipment											
8918		TDC-WELLHEAD EQUIPMENT (DRILLING)						15000	0	15000	
	8918	TCC-WELLHEAD EQUIPMENT (COMPLETION)						0	26985	26985	
8510	8610	Offset Well Tangible									
Offset Well - Tangible											
Total Tangible Costs									238164	194944	433108
8300	8400	Intangible									
Drilling Costs											
DRL	CMP	Line Item							DRILL	COMP	TOTAL
8212		IDC-LUBRICANT AND FUEL EXPENSES						220500	0	220500	
8740		IDC-RIG MOB/DEMOLIZATION						110000	0	110000	
8760		IDC-RIG DAYWORK (DRILLING RIG)						517400	0	517400	
8862		IDC-RAT/MOUSE HOLE						8000	0	8000	
8868		IDC- RENTAL EQUIP DOWNHOLE (DRILLING)						39000	0	39000	
8869		IDC-RENTAL EQUIPMENT SURFACE (DRILLING)						273000	0	273000	
Cementing											
8400		IDC-SURFACE CEMENTING MATERIALS						7393	0	7393	
8781		IDC-CENTRALIZERS & FLOAT EQUIP						5000	0	5000	
8811		IDC=INTERMEDIATE CEMENTING - MATERIAL						15733	0	15733	
8891		IDC-SURFACE CEMENTING SERVICE						5000	0	5000	
8949		IDC-INTERMEDIATE CEMENTING - SERVICES						7500	0	7500	
	8781	ICC-CENTRALIZERS & FLOAT EQUIP						0	13451	13451	
	8857	ICC-PRODUCTION CASING CEMENTING						0	29967	29967	
Formation Treatment											
	8212	ICC-LUBRICANT AND FUEL EXPENSES						0	115000	115000	
	8402	ICC-STIMULATION MATERIALS (MATERIALS)						0	79524	79524	
	8403	ICC-FRAC WATER (MATERIALS)						0	9300	9300	
	8708	ICC-STIMULATION SERVICES						0	2265284	2265284	
	8787	ICC-FRAC WATER SERVICE/COMPLETION						0	132500	132500	
	8869	ICC-RENTAL EQUIP SURFACE (COMPLETIONS)						0	181485	181485	
	8870	ICC-TANK RENTAL (COMPLETION)						0	52600	52600	
	8911	ICC-WATER HAULING & DISPOSAL						0	371166	371166	
Special Services											
8070		IDC-TELECOMM SERVICES						19500	0	19500	
8718		IDC-BHA & TUBULAR INSPECTION						25000	0	25000	
8734		IDC-CASING CREWS						51000	0	51000	
8742		IDC-TRUCKING & HAULING (DRILLING)						40000	0	40000	
8743		IDC-WELLHEAD SERVICES (DRILLING)						12000	0	12000	
8757		IDC-DIRECTIONAL EQUIPMENT SERVICES						321464	0	321464	
8774		IDC-FACILITIES LABOR (DRILLING)						40000	0	40000	
8783		IDC-FLUID & CUTTING DISPOSAL						100000	0	100000	
8823		IDC-LIVING FACILITIES & SANITATION						24700	0	24700	
8885		IDC-SLIDS CNTL EQUIP & INSTALL						88400	0	88400	
8911		IDC-WATER HAULING (DRILLING)						40000	0	40000	
	8299	ICC-FRAC WATER HAULING						0	462715	462715	
	8703	ICC-HOT OIL UNIT/TANK HEATING						0	45000	45000	
	8718	ICC-BHA & TUBULAR INSPECTION						0	0	0	
	8728	ICC-COIL TUBING & SNUBBING						0	285000	285000	
	8733	ICC-CASED HOLE LOGGING SERVICES						0	14285	14285	
	8734	ICC-CASING CREWS						0	68875	68875	
	8735	ICC-COMPLETION RIG SERVICES						0	75600	75600	
	8738	ICC-PERFORATING SERVICES						0	269600	269600	
	8740	ICC-RIG MOBIL/DEMOLIZATN						0	10000	10000	
	8742	ICC-TRUCKING & HAULING (COMPLETION)						0	45000	45000	
	8743	ICC-WELLHEAD SERVICES (COMPLETION)						0	17750	17750	
	8774	ICC- FACILITIES LABOR						0	100000	100000	
	8823	ICC-LIVING FACILITIES & SANITATION						0	5662	5662	
	8843	ICC-FLOWBACK SERVICE						0	126800	126800	
	8868	ICC-RENTAL EQUIPMENT - DOWNHOLE						0	40000	40000	
Materials											
8216		IDC-MISC MATERIALS & SUPPLIES (DRILLING)						15000	0	15000	
8732		IDC-BITS						105000	0	105000	
8758		IDC-DRILL FLUIDS CHEMICALS						100000	0	100000	

8910		IDC-WATER	20000	0	20000
	8846	ICC-PACKERS & PLUGS	0	248016	248016
	8910	ICC-WATER	0	499200	499200
Access Location and Cleanup					
8252		IDC-CULTURAL/PALEO - SERVICES	70000	0	70000
8631		IDC-TRIBAL WELL FEES	100000	0	100000
8730		IDC-ACCESS/LOC CONSTRUCTION SERVICE	80000	0	80000
8772		IDC-ENVIRONMENTAL MITIGATION	30000	0	30000
8791		IDC-PERMITS, SURVEYS, MAPPING	40000	0	40000
8875		IDC-ACCESS LOCATION CONSTRUCTION MATERIALS	5000	0	5000
8877		IDC-ROW USE AGREEMENT	25000	0	25000
8899		IDC-DRILLING TITLE OPINION-ABSTRACT	30000	0	30000
	8240	ICC-RECLAMATION/RESEEDING - MATERIALS	0	1667	1667
	8260	ICC-RECLAMATION/RESEEDING - SERVICES	0	10000	10000
	8730	ICC-ACCESS & LOCATION (COMPLETION)	0	20000	20000
	8875	ICC-ACCESS LOCATION CONSTRUCTION MATERIALS	0	30000	30000
Contract Supervision/Contract Professional Services etc.					
8753		IDC-CONTRACT GEOLOGY	35000	0	35000
8790		IDC-CONTINGENCY	350000	0	350000
8917		IDC-WELLSITE SUPERVISION (DRILLING)	122850	0	122850
	8790	ICC-CONTINGENCY	0	200000	200000
	8917	ICC-WELLSITE SUPERVISION	0	136650	136650
8310	8410	Offset Well Intangible			
Offset Well Intangible					
Total Intangible Costs			3098440	5962097	9060537
Well Connect					
Total Well Connect Costs			0	0	0
Total Cost			3336604	6157041	9493645
Working Interest					
Working Interest Owner				Decimal	Cost Share
WPX ENERGY WILLISTON LLC				1.00000000	9493645
Totals				1.00000000	9493645
Approvers					
Date:	08/20/2015	Prepared By:	Therese Smith		
Date:			Jim Jackson		
Date:			Thomas Hellman		
Date:			Brian Wold		
Date:			Clay Gaspar		
Date:		Partners Approval:			
Estimated costs only - Each participating Owner to pay proportionate share of Actual Well Costs					

August 24, 2015

WPXENERGY

Via Certified Mail RRR

Region 1, Hooked on Fishing, Montana Fish, Wildlife & Parks
490 North Meridian Road
Kalispell, MN 59901

WPX Energy Williston, LLC
Geoff Pool, Landman
geoff.pool@wpxenergy.com
3500 One Williams Center
P.O. Box 3102
Tulsa, OK 74101-3102
539-573-6843 (desk)
539-573-1963 (fax)

Re: Peterson 6-5-4HQ Well Proposal
Sections 4, 5 and 6, T150N-R91W
McLean County, North Dakota

Benjamin J. Larson: *FWP*

WPX Energy Williston, LLC, ("WPX"), f/k/a Dakota-3 E&P Company, LLC as an owner of an interest in the oil and gas leasehold estate in and under Sections 4, 5 and 6, T150N-R91W, McLean County, North Dakota, hereby submits this proposal for the drilling of the Peterson 6-5-4HQ well. Sections 4, 5 and 6 together constitute the designated drilling and spacing unit for the well.

The Peterson 6-5-4HQ well has been planned as a horizontal Three Forks Pool test with an approximate surface location at 489' FSL and 383' FWL in Section 1, T150N-R92W. After entering the Three Forks Pool in the SE/4SE/4 of Section 1, WPX plans to drill horizontally to the East with the terminus of the wellbore located approximately at 1,243' FSL, and 250' FEL in the SE/4SE/4 of Section 4, T150N-R91W. A survey plat reflecting the above-described well location and path is attached; however the actual location of the surface hole and/or bottom hole may vary from those outlined in this proposal and reflected on the attached plat.

According to the title information now available for these sections, you own 11.697600 net mineral acres (0.620062% Working Interest) in Sections 4, 5 and 6. As set forth in the attached AFE, the estimated dry hole cost for the Peterson 6-5-4HQ well is \$3,436,953 with an estimated completion cost of \$6,157,041 for a total estimated completed well cost of \$9,593,994. Please note these estimated costs are subject to change.

Each interest owner has until thirty (30) days from receipt of this proposal to elect whether to participate in the proposed well. If you wish to participate in the drilling operations for the Peterson 6-5-4HQ well, please indicate your election to participate or lease your interest in the space provided below and return a copy of this letter to my attention. Please confirm your election to participate, and your support of WPX Energy Williston, LLC as operator of the related spacing unit, by signing and returning the attached AFE and returning a copy to my attention. Upon receipt of an election to participate and signed AFE, WPX will begin invoicing you as well costs are incurred. Your estimated share of the total completed well costs is \$59,489

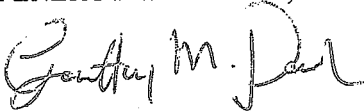
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The Peterson 6-5-4HQ well currently has an anticipated spud date of October 17, 2015. As such, your timeliest decision regarding participation is appreciated. If you have not previously executed a Joint Operating Agreement covering Sections 4, 5 and 6 and elect to participate in the Peterson 6-5-4HQ well, and you wish to receive well data, please submit pre-payment in full for your proportionate share of costs for the attached AFE, along with a current well information data sheet. Please note the Peterson 6-5-4HQ well is scheduled to be batch drilled with the Peterson 6-5-4HC, Peterson 6-5-4HD, and Peterson 6-5-4HZL.

Should you have any questions regarding the above provided information, please do not hesitate to contact the undersigned by phone at (539) 573-6843, or by email at geoff.pool@wpxenergy.com.

Regards,

WPX ENERGY WILLISTON, LLC



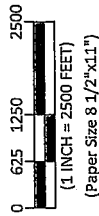
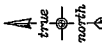
Geoffrey M. Pool
Landman, Bakken

Enclosures: (2)

Region 1, Hooked on Fishing, Montana Fish, Wildlife & Parks

- ☐ Elect to participate in the drilling & completion of the Peterson 6-5-4HQ Well
☒ Elect not to participate in the drilling & completion of the Peterson 6-5-4HQ Well
☐ Elect to lease your minerals in Sections 4, 5 and 6, T150N-R91W, McLean County, ND:
\$2,000.00/ac bonus; 18.00% royalty; 3 year primary term, with an agreed upon lease form (example provide herein)

By: Monte J. Mason
Title: MINERALS MANAGEMENT BUREAU CHIEF, MT-DNRC
Date: 9/17/2015
Email: mmason@mt.gov
Phone: 406-444-3843



LEGEND

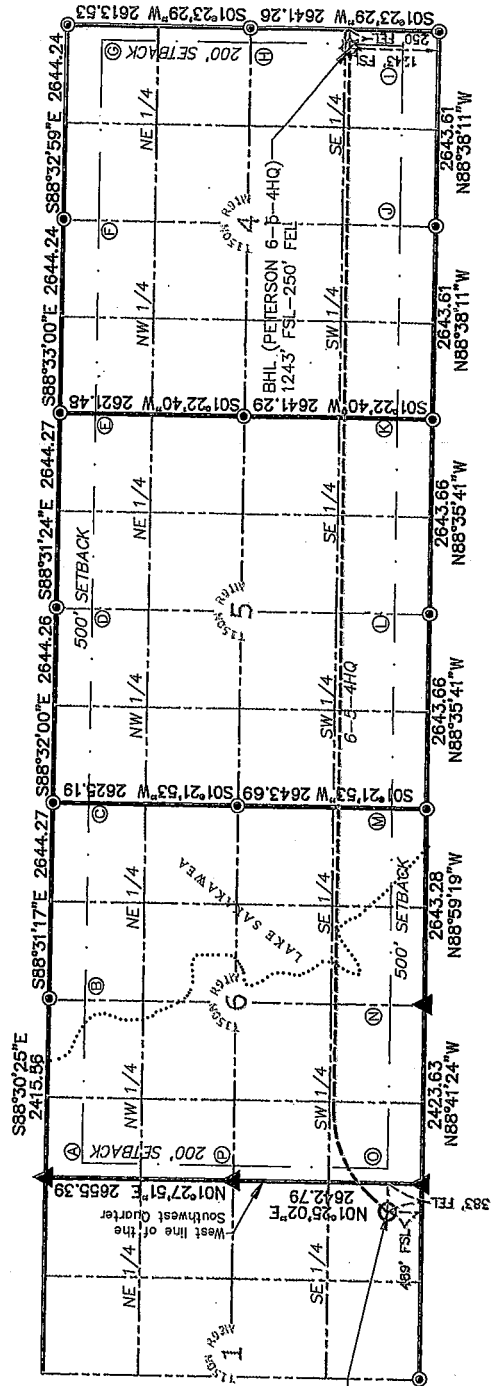
- Found Monument
- Calculated Corner
- Bottom Hole Location
- Surface Hole Location

I, Kurt M. Kisch, Professional Land Surveyor, North Dakota RLS# 4597 hereby certify that I and/or personnel under my direct supervision made a survey on the 14th day of August, 2014 for the Surface Hole Location and Elevation of WPX ENERGY WILLISTON, LLC, Well Peterson 6-5-4HQ being located within the SE 1/4 of the SE 1/4, of Section 1, Township 150 North, Range 92 West, Mountrail County, North Dakota and the Bottom Hole Location being located within the SE 1/4 of the SE 1/4 of Section 4, Township 150 North, Range 91 West, Mountrail County, North Dakota, all being of the 5th P.M.

SHL (PETERSON 6-5-4HQ) GRADED ELEV. AT WELL PAD=1909.7' EXISTING GROUND ELEV. AT WELL SITE=1909.9' 489' FSL-383' FEL

Notes:

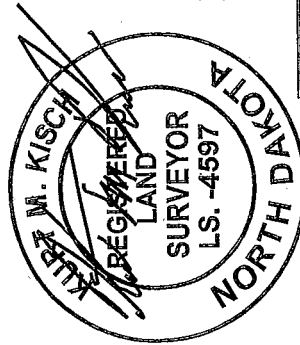
1. All bearings shown hereon are based on the west line of the Southwest Quarter of Section 6, Township 150N, Range 91W, having a bearing of N01°25'02"E using GPS observations, occupying a CMI control point and having the location and elevation derived from an OPUS Solution.
2. Vertical Datum used is of NAVD 88.
3. The OPUS Solution control point used is located 3488.44' feet on a bearing of N88°28'20"E from the East 1/4 Corner of Section 12, Township 150N, Range 92W.
4. Distances shown hereon are ground distances using a combined scale factor of 1.000143341.



Geographic NAD 83

Dep. Mfr.	Decimal Seconds	Latitude	Longitude	Postage
PETERSON 6-5-4HQ (SHL)	47°50'04.36"	107°21'13.14"	47°50'04.36"	489' FSL
PETERSON 6-5-4HQ (BHL)	47°49'26.78"	107°21'13.14"	47°50'04.36"	489' FSL

Kurt M. Kisch
Registered Land Surveyor
Registration No. 4597
State of North Dakota



PAD LOCATION

THE SE 1/4 OF THE SE 1/4 OF
SECTION 1, TOWNSHIP 150N, RANGE 92W,
MOUNTRAIL COUNTY, NORTH DAKOTA

JOB NO: 5252 | DATE: 11/13/14
REVISIONS: 11/17/14, 11/19/14, 12/16/14

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Bismarck, ND 58504
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WELL LOCATION PLAT PETERSON 6-5-4HQ

~ WPX ENERGY WILLISTON, LLC ~

3077-WPX ENERGY WILLISTON LLC AFE # (WT42332-62425739), Pending Approval											
Well Name: PETERSON 6-5-4HQ					Well#: 62425739			Field: VAN HOOK			
Location: SESE 1-150N-92W					County: MOUNTRAIL			State: ND			
BHL: SESE SEC 4 T150N R91W 1243 FSL 250 FEL					SHL: SESE SEC 1 T150N R92W 489 FSL 383 FWL						
Formation: THREE FORKS					Total Depth: 25633.0			Days:			
Effective Date: 08/20/2015					Type Code: Development			Desc:			
Budget No: FP1117676-2015 WILLISTON OPERATED					Aries ID:			Pad Name: PETERSON PAD			
Operator: WPX ENERGY WILLISTON LLC					Asset Group: WILLISTON			Proj Manager: Jackson, Jim			
AFE Drill & complete a 1st bench Three Forks well with a TMD of 25,633 feet and lateral length of 15,772 feet in 27											
8500	8600	Tangible									
Tubular Goods											
DRL	CMP	Line Item	Feet	Size	Wt.	Grade	Conn	\$/FT	DRILL	COMP	TOTAL
8750		TDC-CONDUCTOR/DRIVE PIPE	80					125	10000	0	10000
8810		TDC-INTERMEDIATE CASING	10493	7"	32#	P-110	LTC	17.6	184676	0	184676
8889		TDC-SURFACE CASING	2000	9-5/8"	36#	N-80	LTC	15.3	30600	0	30600
	8232	TCC-TIE BACK CASING STRING							0	0	0
	8902	TCC-TUBING & ACCESSORIES	10000	2-3/8"	4.7#	N-80	EUE 8RD	4.25	0	42500	42500
	8931	TCC-PRODUCTION LINER		4-1/2"	13.6#	P-110	LTC		0	125459	125459
Other Equipment											
8918		TDC-WELLHEAD EQUIPMENT (DRILLING)						15000	0	15000	
	8918	TCC-WELLHEAD EQUIPMENT (COMPLETION)						0	26985	26985	
8510	8610	Offset Well Tangible									
Offset Well - Tangible											
Total Tangible Costs								240276	194944	435220	
8300	8400	Intangible									
Drilling Costs											
DRL	CMP	Line Item							DRILL	COMP	TOTAL
8212		IDC-LUBRICANT AND FUEL EXPENSES						220500	0	220500	
8740		IDC-RIG MOB/DEMobilIZATION						165000	0	165000	
8760		IDC-RIG DAYWORK (DRILLING RIG)						537300	0	537300	
8862		IDC-RAT/MOUSE HOLE						8000	0	8000	
8868		IDC- RENTAL EQUIP DOWNHOLE (DRILLING)						40500	0	40500	
8869		IDC-RENTAL EQUIPMENT SURFACE (DRILLING)						283500	0	283500	
Cementing											
8400		IDC-SURFACE CEMENTING MATERIALS						7393	0	7393	
8781		IDC-CENTRALIZERS & FLOAT EQUIP						5000	0	5000	
8811		IDC=INTERMEDIATE CEMENTING - MATERIAL						15733	0	15733	
8891		IDC-SURFACE CEMENTING SERVICE						5000	0	5000	
8949		IDC-INTERMEDIATE CEMENTING - SERVICES						7500	0	7500	
	8781	ICC-CENTRALIZERS & FLOAT EQUIP						0	13451	13451	
	8857	ICC-PRODUCTION CASING CEMENTING						0	29967	29967	
Formation Treatment											
	8212	ICC-LUBRICANT AND FUEL EXPENSES						0	115000	115000	
	8402	ICC-STIMULATION MATERIALS (MATERIALS)						0	79524	79524	
	8403	ICC-FRAC WATER (MATERIALS)						0	9300	9300	
	8708	ICC-STIMULATION SERVICES						0	2265284	2265284	
	8787	ICC-FRAC WATER SERVICE/COMPLETION						0	132500	132500	
	8869	ICC-RENTAL EQUIP SURFACE (COMPLETIONS)						0	181485	181485	
	8870	ICC-TANK RENTAL (COMPLETION)						0	52600	52600	
	8911	ICC-WATER HAULING & DISPOSAL						0	371166	371166	
Special Services											
8070		IDC-TELECOMM SERVICES						20250	0	20250	
8718		IDC-BHA & TUBULAR INSPECTION						25000	0	25000	
8734		IDC-CASING CREWS						51000	0	51000	
8742		IDC-TRUCKING & HAULING (DRILLING)						40000	0	40000	
8743		IDC-WELLHEAD SERVICES (DRILLING)						12000	0	12000	
8757		IDC-DIRECTIONAL EQUIPMENT SERVICES						322976	0	322976	
8774		IDC-FACILITIES LABOR (DRILLING)						40000	0	40000	
8783		IDC-FLUID & CUTTING DISPOSAL						100000	0	100000	
8823		IDC-LIVING FACILITIES & SANITATION						25650	0	25650	
8885		IDC-SLIDS CNTL EQUIP & INSTALL						91800	0	91800	
8911		IDC-WATER HAULING (DRILLING)						40000	0	40000	
	8299	ICC-FRAC WATER HAULING						0	462715	462715	
	8703	ICC-HOT OIL UNIT/TANK HEATING						0	45000	45000	
	8718	ICC-BHA & TUBULAR INSPECTION						0	0	0	
	8728	ICC-COIL TUBING & SNUBBING						0	285000	285000	
	8733	ICC-CASED HOLE LOGGING SERVICES						0	14285	14285	
	8734	ICC-CASING CREWS						0	68875	68875	
	8735	ICC-COMPLETION RIG SERVICES						0	75600	75600	
	8738	ICC-PERFORATING SERVICES						0	269600	269600	
	8740	ICC-RIG MOBIL/DEMobilZATN						0	10000	10000	
	8742	ICC-TRUCKING & HAULING (COMPLETION)						0	45000	45000	
	8743	ICC-WELLHEAD SERVICES (COMPLETION)						0	17750	17750	
	8774	ICC- FACILITIES LABOR						0	100000	100000	
	8823	ICC-LIVING FACILITIES & SANITATION						0	5662	5662	
	8843	ICC-FLOWBACK SERVICE						0	126800	126800	
	8868	ICC-RENTAL EQUIPMENT - DOWNHOLE						0	40000	40000	
Materials											
8216		IDC-MISC MATERIALS & SUPPLIES (DRILLING)						15000	0	15000	
8732		IDC-BITS						105000	0	105000	
8758		IDC-DRILL FLUIDS CHEMICALS						100000	0	100000	

8910		IDC-WATER	20000	0	20000
	8846	ICC-PACKERS & PLUGS	0	248016	248016
	8910	ICC-WATER	0	499200	499200
Access Location and Cleanup					
8252		IDC-CULTURAL/PALEO - SERVICES	70000	0	70000
8631		IDC-TRIBAL WELL FEES	100000	0	100000
8730		IDC-ACCESS/LOC CONSTRUCTION SERVICE	80000	0	80000
8772		IDC-ENVIRONMENTAL MITIGATION	30000	0	30000
8791		IDC-PERMITS, SURVEYS, MAPPING	40000	0	40000
8875		IDC-ACCESS LOCATION CONSTRUCTION MATERIALS	5000	0	5000
8877		IDC-ROW USE AGREEMENT	25000	0	25000
8899		IDC-DRILLING TITLE OPINION-ABSTRACT	30000	0	30000
	8240	ICC-RECLAMATION/RESEEDING - MATERIALS	0	1667	1667
	8260	ICC-RECLAMATION/RESEEDING - SERVICES	0	10000	10000
	8730	ICC-ACCESS & LOCATION (COMPLETION)	0	20000	20000
	8875	ICC-ACCESS LOCATION CONSTRUCTION MATERIALS	0	30000	30000
Contract Supervision/Contract Professional Services etc.					
8753		IDC-CONTRACT GEOLOGY	35000	0	35000
8790		IDC-CONTINGENCY	350000	0	350000
8917		IDC-WELLSITE SUPERVISION (DRILLING)	127575	0	127575
	8790	ICC-CONTINGENCY	0	200000	200000
	8917	ICC-WELLSITE SUPERVISION	0	136650	136650
8310	8410	Offset Well Intangible			
Offset Well Intangible					
Total Intangible Costs			3196677	5962097	9158774
Well Connect					
Total Well Connect Costs			0	0	0
Total Cost			3436953	6157041	9593994
Working Interest					
Working Interest Owner				Decimal	Cost Share
WPX ENERGY WILLISTON LLC				1.00000000	9593994
Totals				1.00000000	9593994
Approvers					
Date:	08/20/2015	Prepared By:	Therese Smith		
Date:			Jim Jackson		
Date:			Thomas Hellman		
Date:			Brian Wold		
Date:			Clay Gaspar		
Date:		Partners Approval:			
Estimated costs only - Each participating Owner to pay proportionate share of Actual Well Costs					

August 24, 2015



Via Certified Mail RRR

Region 1, Hooked on Fishing, Montana Fish, Wildlife & Parks
490 North Meridian Road
Kalispell, MN 59901

WPX Energy Williston, LLC
Geoff Pool, Landman
geoff.pool@wpxenergy.com
3500 One Williams Center
P.O. Box 3102
Tulsa, OK 74101-3102
539-573-6843 (desk)
539-573-1963 (fax)

Re: Peterson 6-5-4HC Well Proposal
Sections 4, 5 and 6, T150N-R91W
McLean County, North Dakota

Benjamin J. Larson: 

WPX Energy Williston, LLC, ("WPX"), f/k/a Dakota-3 E&P Company, LLC as an owner of an interest in the oil and gas leasehold estate in and under Sections 4, 5 and 6, T150N-R91W, McLean County, North Dakota, hereby submits this proposal for the drilling of the Peterson 6-5-4HC well. Sections 4, 5 and 6 together constitute the designated drilling and spacing unit for the well.

The Peterson 6-5-4HC well has been planned as a horizontal Bakken Pool test with an approximate surface location at 539' FSL and 383' FEL in Section 1, T150N-R92W. After entering the Bakken Pool in the SE/4SE/4 of Section 1, WPX plans to drill horizontally to the East with the terminus of the wellbore located approximately at 1936' FSL, and 250' FEL in the NE/4SE/4 of Section 4, T150N-R91W. A survey plat reflecting the above-described well location and path is attached; however the actual location of the surface hole and/or bottom hole may vary from those outlined in this proposal and reflected on the attached plat.

According to the title information now available for these sections, you own 11.697600 net mineral acres (0.620062% Working Interest) in Sections 4, 5 and 6. As set forth in the attached AFE, the estimated dry hole cost for the Peterson 6-5-4HC well is \$3,729,018 with an estimated completion cost of \$6,157,041 for a total estimated completed well cost of \$9,886,059. Please note these estimated costs are subject to change.

Each interest owner has until thirty (30) days from receipt of this proposal to elect whether to participate in the proposed well. If you wish to participate in the drilling operations for the Peterson 6-5-4HC well, please indicate your election to participate or lease your interest in the space provided below and return a copy of this letter to my attention. Please confirm your election to participate, and your support of WPX Energy Williston, LLC as operator of the related spacing unit, by signing and returning the attached AFE and returning a copy to my attention. Upon receipt of an election to participate and signed AFE, WPX will begin invoicing you as well costs are incurred. Your estimated share of the total completed well costs is \$61,300

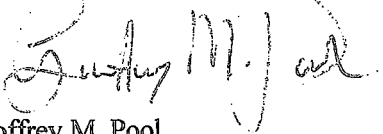
Should you elect not to participate or lease your interest(s) in the proposed operations as outlined herein, please so indicate in the space provided below, and return a copy of this letter to my attention. Please note that in the event any owner offered an opportunity to participate elects not to participate or fails to elect timely in the operations; WPX plans to impose a risk penalty as provided for by North Dakota law, pursuant to N.D.C.C. §38-08-08(3). Any nonparticipating owner may object to the risk penalty by either responding in opposition to the petition for a risk penalty, or if no such petition has been filed, by filing an application or request for a hearing with the North Dakota Industrial Commission. Please note, if you have previously executed a Joint Operating Agreement ("JOA") covering Sections 4, 5 and 6, the terms of said JOA will supersede N.D.C.C. §38-08-08(3).

The Peterson 6-5-4HC well currently has an anticipated spud date of October 13, 2015. As such, your timeliest decision regarding participation is appreciated. If you have not previously executed a Joint Operating Agreement covering Sections 4, 5 and 6 and elect to participate in the Peterson 6-5-4HC well, and you wish to receive well data, please submit pre-payment in full for your proportionate share of costs for the attached AFE, along with a current well information data sheet. Please note the Peterson 6-5-4HC well is scheduled to be batch drilled with the Peterson 6-5-4HQ, Peterson 6-5-4HD, Peterson 6-5-4HZL.

Should you have any questions regarding the above provided information, please do not hesitate to contact the undersigned by phone at (539) 573-6843, or by email at geoff.pool@wpxenergy.com.

Regards,

WPX ENERGY WILLISTON, LLC



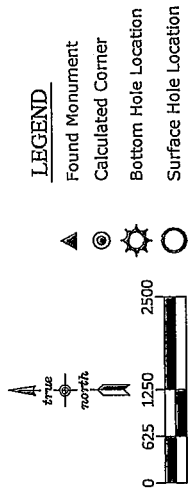
Geoffrey M. Pool
Landman, Bakken

Enclosures: (2)

Region 1, Hooked on Fishing, Montana Fish, Wildlife & Parks

- ☐ Elect to participate in the drilling & completion of the Peterson 6-5-4HC Well
☒ Elect not to participate in the drilling & completion of the Peterson 6-5-4HC Well
☐ Elect to lease your minerals in Sections 4, 5 and 6, T150N-R91W, McLean County, ND:
\$2,000.00/ac bonus; 18.00% royalty; 3 year primary term, with an agreed upon lease form (example provide herein)

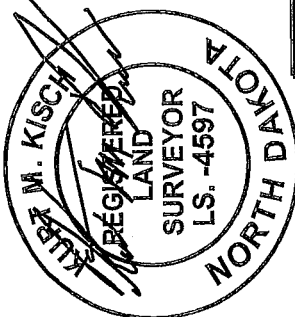
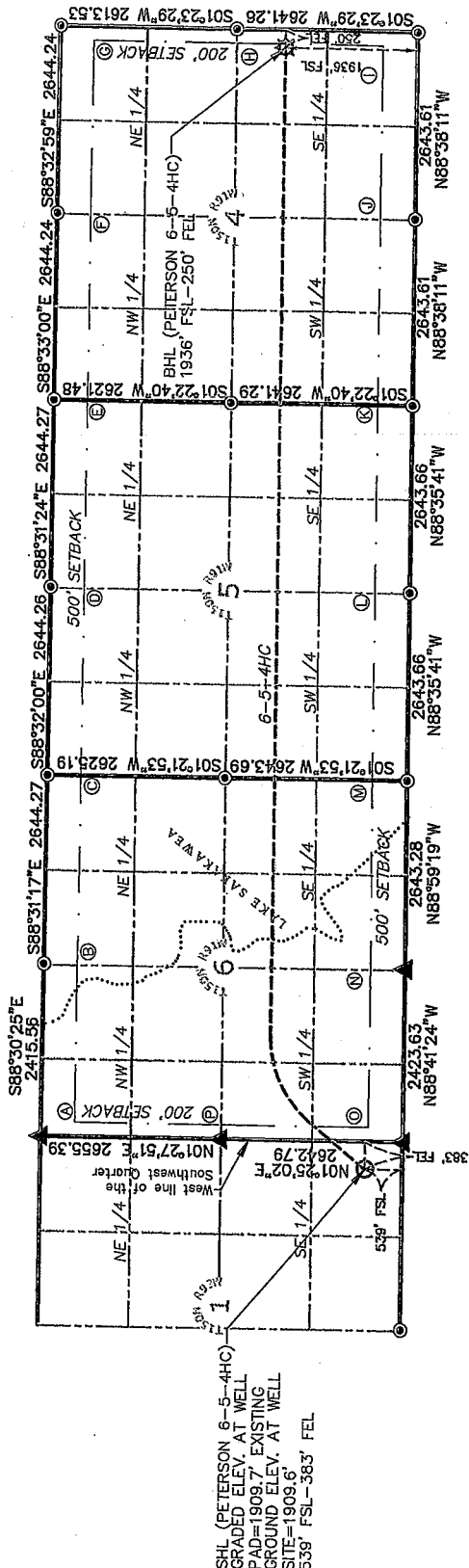
By: Monte & Mason
Title: Minerals Management Bureau Chief
Date: 9/17/2015
Email: mmason@mt.gov
Phone: 406-444-3843



I, Kurt M. Kisch, Professional Land Surveyor, North Dakota RLS# 4597 hereby certify that I and/or personnel under my direct supervision made a survey on the 14th day of August, 2014, for the Surface Hole Location and Elevation of WPX ENERGY WILLISTON, LLC, Well Peterson 6-5-4HC being located within the SE 1/4 of the SE 1/4 of Section 4, Township 150 North, Range 92 West, Mountrail County, North Dakota and the Bottom Hole Location being located within the NE 1/4 of the SE 1/4 of Section 4, Township 150 North, Range 91 West, McLean County, North Dakota, all being of the 5th P.M.

Notes:

- All bearings shown hereon are based on the west line of the Southwest Quarter of Section 6, Township 150N, Range 91W, having a bearing of N01°25'02"E using GPS observations, occupying a CMI control point and having the location and elevation derived from an OPUS Solution.
- Vertical Datum used is of NAVD 88.
- The OPUS Solution control point used is located 3488.44 feet on a bearing of N89°28'20"E from the East 1/4 Corner of Section 12, Township 150N, Range 92W.
- Distances shown hereon are ground distances using a combined scale factor of 1.000143341.



Kurt M. Kisch Registered Land Surveyor
Registration No. 4597
State of North Dakota

Geographic Data

Dep. Min. Decimal Seconds	Decima Degrees	Longitude	Latitude	Footage
PETERSON 6-5-4HC (SHL)	47°50'04.85"	102°23'13.13"	47°50'04.85"	539' FSL
PETERSON 6-5-4HC (BHL)	47°49'33.67"	102°19'33.67"	47°49'33.67"	1936' FSL

PAD LOCATION

THE SE 1/4 OF THE SE 1/4 OF
SECTION 1, TOWNSHIP 150N, RANGE 92W,
MOUNTRAIL COUNTY, NORTH DAKOTA

**Carlson
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ENVIRONMENTAL • ENGINEERING • SURVEYING
600 South 2nd Street, Suite 105
Bismarck, ND 58504
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**WELL LOCATION PLAT
PETERSON 6-5-4HC**

~ WPX ENERGY WILLISTON, LLC ~

3077-WPX ENERGY WILLISTON LLC AFE # (WT42319-62425743), Pending Approval											
Well Name: PETERSON 6-5-4HC						Well#: 62425743			Field: VAN HOOK		
Location: SESE 1-150N-92W						County: MOUNTRAIL			State: ND		
BHL: NESE SEC 4-T150N R91W 1936 FSL 250 FEL						SHL: SESE SEC 1 T150N R92W 539 FSL 383 FEL					
Formation: BAKKEN						Total Depth: 0.0			Days:		
Effective Date: 08/20/2015						Type Code: Development			Desc:		
Budget No: FP1117676-2015 WILLISTON OPERATED						Aries ID:			Pad Name: PETERSON PAD		
Operator: WPX ENERGY WILLISTON LLC						Asset Group: WILLISTON			Proj Manager: Jackson, Jim		
AFE Drill & complete a Middle Bakken well with a TMD of 25,695 feet and lateral length of 15,772 feet in 30 days.											
8500	8600	Tangible									
Tubular Goods											
DRL	CMP	Line Item	Feet	Size	Wt.	Grade	Conn	\$/FT	DRILL	COMP	TOTAL
8750		TDC-CONDUCTOR/DRIVE PIPE	80					125	10000	0	10000
8810		TDC-INTERMEDIATE CASING	10556	7"	32#	P-110	LTC	17.6	185785	0	185785
8889		TDC-SURFACE CASING	2000	9-5/8"	36#	N-80	LTC	15.3	30600	0	30600
	8232	TCC-TIE BACK CASING STRING							0	0	0
	8902	TCC-TUBING & ACCESSORIES	10000	2-3/8"	4.7#	N-80	EUE 8RD	4.25	0	42500	42500
	8931	TCC-PRODUCTION LINER		4-1/2"	13.6#	P-110	LTC		0	125459	125459
Other Equipment											
8918		TDC-WELLHEAD EQUIPMENT (DRILLING)						15000		0	15000
	8918	TCC-WELLHEAD EQUIPMENT (COMPLETION)							0	26985	26985
8510	8610	Offset Well Tangible									
Offset Well - Tangible											
Total Tangible Costs									241385	194944	436329
8300	8400	Intangible									
Drilling Costs											
DRL	CMP	Line Item							DRILL	COMP	TOTAL
8212		IDC-LUBRICANT AND FUEL EXPENSES						220500		0	220500
8740		IDC-RIG MOB/DEMObILIZATION						330000		0	330000
8760		IDC-RIG DAYWORK (DRILLING RIG)						597000		0	597000
8862		IDC-RAT/MOUSE HOLE						8000		0	8000
8868		IDC- RENTAL EQUIP DOWNHOLE (DRILLING)						45000		0	45000
8869		IDC-RENTAL EQUIPMENT SURFACE (DRILLING)						315000		0	315000
Cementing											
8400		IDC-SURFACE CEMENTING MATERIALS						7393		0	7393
8781		IDC-CENTRALIZERS & FLOAT EQUIP						5000		0	5000
8811		IDC=INTERMEDIATE CEMENTING - MATERIAL						15733		0	15733
8891		IDC-SURFACE CEMENTING SERVICE						5000		0	5000
8949		IDC-INTERMEDIATE CEMENTING - SERVICES						7500		0	7500
	8781	ICC-CENTRALIZERS & FLOAT EQUIP						0		13451	13451
	8857	ICC-PRODUCTION CASING CEMENTING						0		29967	29967
Formation Treatment											
	8212	ICC-LUBRICANT AND FUEL EXPENSES							0	115000	115000
	8402	ICC-STIMULATION MATERIALS (MATERIALS)							0	79524	79524
	8403	ICC-FRAC WATER (MATERIALS)							0	9300	9300
	8708	ICC-STIMULATION SERVICES							0	2265284	2265284
	8787	ICC-FRAC WATER SERVICE/COMPLETION							0	132500	132500
	8869	ICC-RENTAL EQUIP SURFACE (COMPLETIONS)							0	181485	181485
	8870	ICC-TANK RENTAL (COMPLETION)							0	52600	52600
	8911	ICC-WATER HAULING & DISPOSAL							0	371166	371166
Special Services											
8070		IDC-TELECOMM SERVICES						22500		0	22500
8718		IDC-BHA & TUBULAR INSPECTION						25000		0	25000
8734		IDC-CASING CREWS						51000		0	51000
8742		IDC-TRUCKING & HAULING (DRILLING)						40000		0	40000
8743		IDC-WELLHEAD SERVICES (DRILLING)						12000		0	12000
8757		IDC-DIRECTIONAL EQUIPMENT SERVICES						323757		0	323757
8774		IDC-FACILITIES LABOR (DRILLING)						40000		0	40000
8783		IDC-FLUID & CUTTING DISPOSAL						100000		0	100000
8823		IDC-LIVING FACILITIES & SANITATION						28500		0	28500
8885		IDC-SLIDS CNTL EQUIP & INSTALL						102000		0	102000
8911		IDC-WATER HAULING (DRILLING)						40000		0	40000
	8299	ICC-FRAC WATER HAULING							0	462715	462715
	8703	ICC-HOT OIL UNIT/TANK HEATING							0	45000	45000
	8718	ICC-BHA & TUBULAR INSPECTION							0	0	0
	8728	ICC-COIL TUBING & SNUBBING							0	285000	285000
	8733	ICC-CASED HOLE LOGGING SERVICES							0	14285	14285
	8734	ICC-CASING CREWS							0	68875	68875
	8735	ICC-COMPLETION RIG SERVICES							0	75600	75600
	8738	ICC-PERFORATING SERVICES							0	269600	269600
	8740	ICC-RIG MOBIL/DEMObILZATN							0	10000	10000
	8742	ICC-TRUCKING & HAULING (COMPLETION)							0	45000	45000
	8743	ICC-WELLHEAD SERVICES (COMPLETION)							0	17750	17750
	8774	ICC- FACILITIES LABOR							0	100000	100000
	8823	ICC-LIVING FACILITIES & SANITATION							0	5662	5662
	8843	ICC-FLOWBACK SERVICE							0	126800	126800
	8868	ICC-RENTAL EQUIPMENT - DOWNHOLE							0	40000	40000
Materials											
8216		IDC-MISC MATERIALS & SUPPLIES (DRILLING)						15000		0	15000
8732		IDC-BITS						105000		0	105000
8758		IDC-DRILL FLUIDS CHEMICALS						100000		0	100000

8910		IDC-WATER	20000	0	20000
	8846	ICC-PACKERS & PLUGS	0	248016	248016
	8910	ICC-WATER	0	499200	499200
Access Location and Cleanup					
8252		IDC-CULTURAL/PALEO - SERVICES	70000	0	70000
8631		IDC-TRIBAL WELL FEES	100000	0	100000
8730		IDC-ACCESS/LOC CONSTRUCTION SERVICE	80000	0	80000
8772		IDC-ENVIRONMENTAL MITIGATION	30000	0	30000
8791		IDC-PERMITS, SURVEYS, MAPPING	40000	0	40000
8875		IDC-ACCESS LOCATION CONSTRUCTION MATERIALS	5000	0	5000
8877		IDC-ROW USE AGREEMENT	25000	0	25000
8899		IDC-DRILLING TITLE OPINION-ABSTRACT	30000	0	30000
	8240	ICC-RECLAMATION/RESEEDING - MATERIALS	0	1667	1667
	8260	ICC-RECLAMATION/RESEEDING - SERVICES	0	10000	10000
	8730	ICC-ACCESS & LOCATION (COMPLETION)	0	20000	20000
	8875	ICC-ACCESS LOCATION CONSTRUCTION MATERIALS	0	30000	30000
Contract Supervision/Contract Professional Services etc.					
8753		IDC-CONTRACT GEOLOGY	35000	0	35000
8790		IDC-CONTINGENCY	350000	0	350000
8917		IDC-WELLSITE SUPERVISION (DRILLING)	141750	0	141750
	8790	ICC-CONTINGENCY	0	200000	200000
	8917	ICC-WELLSITE SUPERVISION	0	136650	136650
8310	8410	Offset Well Intangible			
Offset Well Intangible					
Total Intangible Costs			3487633	5962097	9449730
Well Connect					
Total Well Connect Costs			0	0	0
Total Cost			3729018	6157041	9886059
Working Interest					
Working Interest Owner				Decimal	Cost Share
WPX ENERGY WILLISTON LLC				1.00000000	9886059
Totals				1.00000000	9886059
Approvers					
Date:	08/20/2015	Prepared By:	Therese Smith		
Date:			Jim Jackson		
Date:			Thomas Hellman		
Date:			Brian Wold		
Date:			Clay Gaspar		
Date:		Partners Approval:			
Estimated costs only - Each participating Owner to pay proportionate share of Actual Well Costs					

WPXENERGY

August 24, 2015

Via Certified Mail RRR

Region 1, Hooked on Fishing, Montana Fish, Wildlife & Parks
490 North Meridian Road
Kalispell, MN 59901

WPX Energy Williston, LLC
Geoff Pool, Landman
geoff.pool@wpxenergy.com
3500 One Williams Center
P.O. Box 3102
Tulsa, OK 74101-3102
539-573-6843 (desk)
539-573-1963 (fax)

Re: Peterson 6-5-4HZL well Proposal
Sections 4, 5, 6, 7, 8, and 9, T150N-R91W
Mountrail County, North Dakota

Benjamin J. Larson: FWP

WPX Energy Williston, LLC, ("WPX"), f/k/a Dakota-3 E&P Company, LLC as an owner of an interest in the oil and gas leasehold estate in and under Sections 4, 5, 6, 7, 8, and 9, T150N-R91W, Mountrail County, North Dakota, hereby submits this proposal for the drilling of the Peterson 6-5-4HZL well. Sections 4, 5, 6, 7, 8, and 9 together constitute the designated drilling and spacing unit for the well.

The Peterson 6-5-4HZL well has been planned as a horizontal Three Forks Pool test with an approximate surface location at 389' FSL and 383' FEL in Section 1, T150N-R92W. After entering the Bakken Pool in the SE/4SE/4 of Section 1, WPX plans to drill horizontally to the East with the terminus of the wellbore located approximately at 0' FSL, and 250' FEL in the SE/4SE/4 of Section 4, T150N-R91W. A survey plat reflecting the above-described well location and path is attached; however the actual location of the surface hole and/or bottom hole may vary from those outlined in this proposal and reflected on the attached plat.

According to the title information now available for these sections, you own 11.697600 net mineral acres (0.309450% Working Interest) in Sections 4, 5, 6, 7, 8, and 9. As set forth in the attached AFE, the estimated dry hole cost for the Peterson 6-5-4HZL well is \$3,290,356 with an estimated completion cost of \$6,157,041 for a total estimated completed well cost of \$9,447,397. Please note these estimated costs are subject to change.

Each interest owner has until thirty (30) days from receipt of this proposal to elect whether to participate in the proposed well. If you wish to participate in the drilling operations for the Peterson 6-5-4HZL well, please indicate your election to participate or lease your interest in the space provided below and return a copy of this letter to my attention. Please confirm your election to participate, and your support of WPX Energy Williston, LLC as operator of the related spacing unit, by signing and returning the attached AFE and returning a copy to my attention. Upon receipt of an election to participate and signed AFE, WPX will begin invoicing you as well costs are incurred. Your estimated share of the total completed well costs is \$29,235

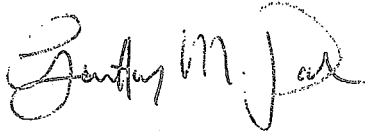
Should you elect not to participate or lease your interest(s) in the proposed operations as outlined herein, please so indicate in the space provided below, and return a copy of this letter to my attention. Please note that in the event any owner offered an opportunity to participate elects not to participate or fails to elect timely in the operations; WPX plans to impose a risk penalty as provided for by North Dakota law, pursuant to N.D.C.C. §38-08-08(3). Any nonparticipating owner may object to the risk penalty by either responding in opposition to the petition for a risk penalty, or if no such petition has been filed, by filing an application or request for a hearing with the North Dakota Industrial Commission. Please note, if you have previously executed a Joint Operating Agreement ("JOA") covering Sections 4, 5, 6, 7, 8, and 9, the terms of said JOA will supersede N.D.C.C. §38-08-08(3).

The Peterson 6-5-4HZL well currently has an anticipated spud date of October 19, 2015. As such, your timeliest decision regarding participation is appreciated. If you have not previously executed a Joint Operating Agreement covering Sections 4, 5, 6, 7, 8, and 9 and elect to participate in the Peterson 6-5-4HZL well, and you wish to receive well data, please submit pre-payment in full for your proportionate share of costs for the attached AFE, along with a current well information data sheet. Please note the Peterson 6-5-4HZL well is scheduled to be batch drilled with the Peterson 6-5-4HC, Peterson 6-5-4HQ, Peterson 6-5-4HD.

Should you have any questions regarding the above provided information, please do not hesitate to contact the undersigned by phone at (539) 573-6843, or by email at Geoff.Pool@wpxenergy.com.

Regards,

WPX ENERGY WILLISTON, LLC



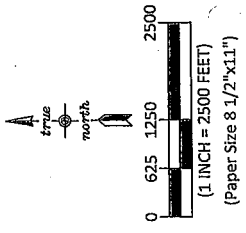
Geoffrey M. Pool
Landman, Bakken

Enclosures: (2)

Region 1, Hooked on Fishing, Montana Fish, Wildlife & Parks

- ☐ Elect to participate in the drilling & completion of the Peterson 6-5-4HZL Well
- ☒ Elect not to participate in the drilling & completion of the Peterson 6-5-4HZL Well
- ☐ Elect to lease your minerals in Sections 4, 5, 6, 7, 8, and 9, T150N-R91W, Mountrail County, ND:
\$2,000.00/ac bonus; 18.00% royalty; 3 year primary term, with an agreed upon lease form (example provide herein)

By: Monte G. Mason
Title: Minerals Management Bureau Chief, MT-DWRC
Date: 9/17/2015
Email: mmason@mt.gov
Phone: 406-444-3843



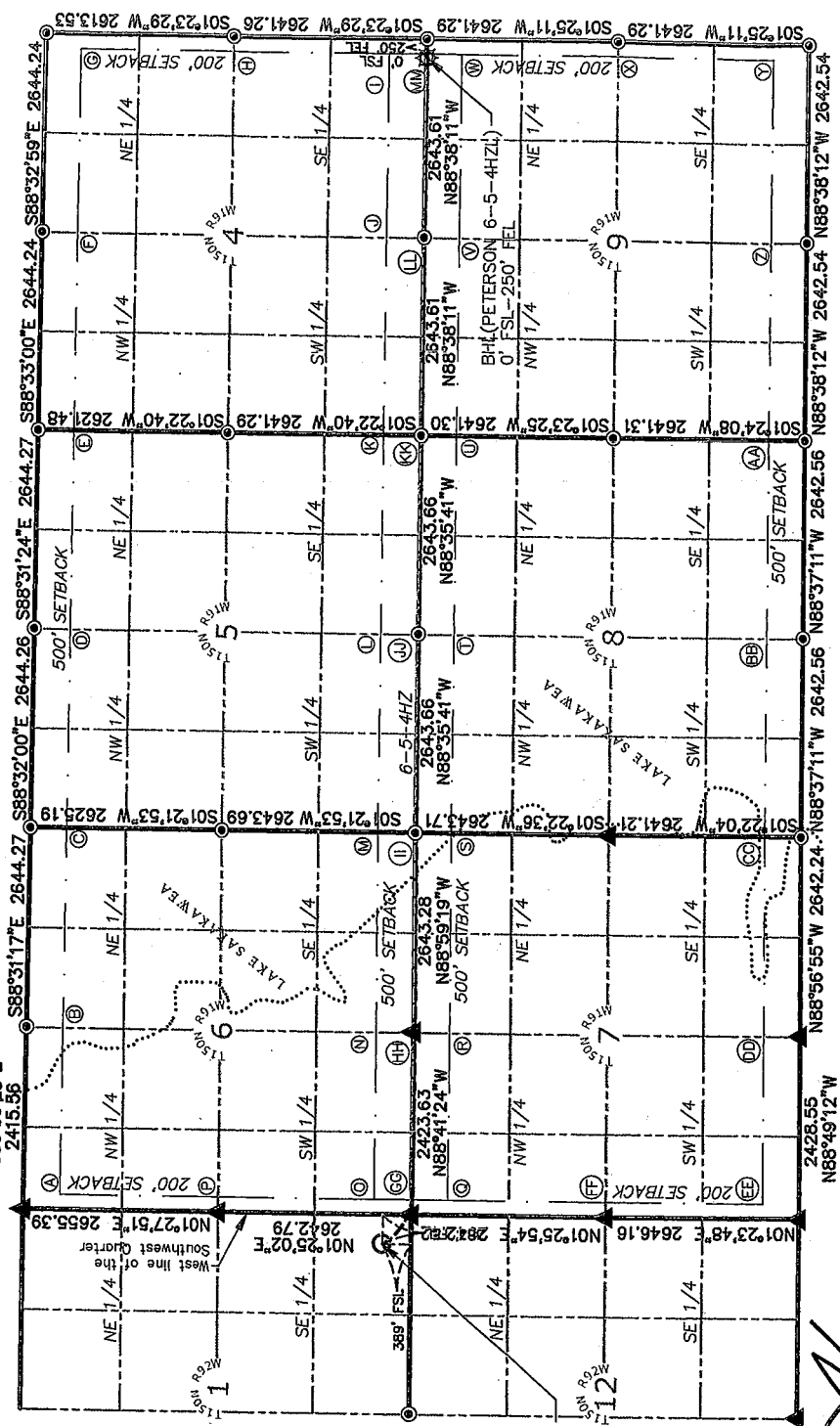
LEGEND

- Found Monument
- Calculated Corner
- Bottom Hole Location
- Surface Hole Location

I, Kurt M. Kisch, Professional Land Surveyor, North Dakota RLS# 4597 hereby certify that I and or personnel under my direct supervision made a survey on the 14th day of August, 2014 for the Surface Hole Location and Elevation of WPX ENERGY WILLISTON, LLC, Well Peterson 6-5-4HZL being located within the SE 1/4 of the SE 1/4, of Section 1, Township 150 North, Range 92 West, Mountrail County, North Dakota and the Bottom Hole Location being located within the SE 1/4 of the SE 1/4 of Section 4, Township 150 North, Range 91 West, McLean County, North Dakota, all being of the 5th P.M.

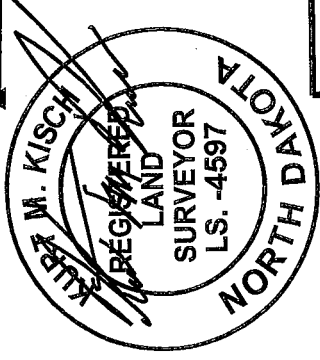
SHL (PETERSON 6-5-4HZL) GRADED ELEV. AT WELL PAD=1909.7' EXISTING GROUND ELEV. AT WELL SITE=1911.2' 389' FSL-383' FEL

- Notes:**
- All bearings shown hereon are based on the west line of the Southwest Quarter of Section 6, Township 150N, Range 91W, having a bearing of N01°25'02"E using GPS observations, occupying a CMI control point and having the location and elevation derived from an OPUS Solution.
 - Vertical Datum used is of NAVD 88.
 - The OPUS Solution control point used is located 3488.44 feet on a bearing of N89°28'20"E from the East 1/4 Corner of Section 12, Township 150N, Range 92W.
 - Distances shown hereon are ground distances using a combined scale factor of 1.0000143341.



Geographic NAD 83

Deg. Min. Sec.	Dec. Lat	Long.	Latitude	Longitude	Postage
47°50'33.37"	102°23'13.16"	47°50'33.37"	102°23'13.16"	47°50'33.37"	383' FSL
47°50'33.37"	102°23'13.16"	47°50'33.37"	102°23'13.16"	47°50'33.37"	383' FSL
47°50'33.37"	102°23'13.16"	47°50'33.37"	102°23'13.16"	47°50'33.37"	383' FSL



Kurt M. Kisch Registered Land Surveyor
Registration No. 4597
State of North Dakota

Carlson McCain
ENVIRONMENTAL • ENGINEERING • SURVEYING
600 South 2nd Street, Suite 105
Bismarck, ND 58504
www.carlsonmccain.com

PAD LOCATION	THE SE 1/4 OF THE SE 1/4 OF SECTION 1, TOWNSHIP 150N, RANGE 92W, MOUNTRAIL COUNTY, NORTH DAKOTA
JOB NO.:	5252
DATE:	11/13/14
REVISIONS:	11/17/14, 11/19/14, 12/16/14

WELL LOCATION PLAT
PETERSON 6-5-4HZL
~ WPX ENERGY WILLISTON, LLC ~

3077-WPX ENERGY WILLISTON LLC AFE # (WT42334-62425737), Pending Approval											
Well Name: PETERSON 6-5-4HZL						Well#: 62425737			Field: VAN HOOK		
Location: SESE 1-150N-92W						County: MOUNTRAIL			State: ND		
BHL: SESE SEC 4 T150N R91W						SHL: SESE SEC 1 T150N R92W 389 FSL 383 FEL					
Formation: THREE FORKS						Total Depth: 25583.0			Days:		
Effective Date: 08/20/2015						Type Code: Development			Desc:		
Budget No: FP1117676-2015 WILLISTON OPERATED D&C (3077)						Aries ID:			Pad Name: PETERSON PAD		
Operator: WPX ENERGY WILLISTON LLC						Asset Group: WILLISTON			Proj Manager: Jackson, Jim		
AFE Desc: Drill & complete a 1st bench Three Forks well with a TMD of 25,583 feet and lateral length of 15,772 feet in 25.5 days.											
8500		8600		Tangible							
Tubular Goods											
DRL	CMP	Line Item	Feet	Size	Wt.	Grade	Conn	\$/FT	DRILL	COMP	TOTAL
8750		TDC-CONDUCTOR/DRIVE PIPE	80					125	10000	0	10000
8810		TDC-INTERMEDIATE CASING	10443	7"	32#	P-110	LTC	17.6	183796	0	183796
8889		TDC-SURFACE CASING	2000	9-5/8"	36#	N-80	LTC	15.3	30600	0	30600
	8232	TCC-TIE BACK CASING STRING							0	0	0
	8902	TCC-TUBING & ACCESSORIES	10000	2-3/8"	4.7#	N-80	EUE 8RD	4.25	0	42500	42500
	8931	TCC-PRODUCTION LINER		4-1/2"	13.6#	P-110	LTC		0	125459	125459
Other Equipment											
8918		TDC-WELLHEAD EQUIPMENT (DRILLING)						15000		0	15000
	8918	TCC-WELLHEAD EQUIPMENT (COMPLETION)						0	26985		26985
8510	8610	Offset Well Tangible									
Offset Well - Tangible									239396	194944	434340
Total Tangible Costs											
8300	8400	Intangible									
Drilling Costs											
DRL	CMP	Line Item							DRILL	COMP	TOTAL
8212		IDC-LUBRICANT AND FUEL EXPENSES						220500		0	220500
8740		IDC-RIG MOB/DEMOLIZATION						82500		0	82500
8760		IDC-RIG DAYWORK (DRILLING RIG)						507450		0	507450
8862		IDC-RAT/MOUSE HOLE						8000		0	8000
8868		IDC- RENTAL EQUIP DOWNHOLE (DRILLING)						38250		0	38250
8869		IDC-RENTAL EQUIPMENT SURFACE (DRILLING)						267750		0	267750
Cementing											
8400		IDC-SURFACE CEMENTING MATERIALS						7393		0	7393
8781		IDC-CENTRALIZERS & FLOAT EQUIP						5000		0	5000
8811		IDC=INTERMEDIATE CEMENTING - MATERIAL						15733		0	15733
8891		IDC-SURFACE CEMENTING SERVICE						5000		0	5000
8949		IDC-INTERMEDIATE CEMENTING - SERVICES						7500		0	7500
	8781	ICC-CENTRALIZERS & FLOAT EQUIP						0	13451		13451
	8857	ICC-PRODUCTION CASING CEMENTING						0	29967		29967
Formation Treatment											
	8212	ICC-LUBRICANT AND FUEL EXPENSES						0	115000		115000
	8402	ICC-STIMULATION MATERIALS (MATERIALS)						0	79524		79524
	8403	ICC-FRAC WATER (MATERIALS)						0	9300		9300
	8708	ICC-STIMULATION SERVICES						0	2265284		2265284
	8787	ICC-FRAC WATER SERVICE/COMPLETION						0	132500		132500
	8869	ICC-RENTAL EQUIP SURFACE (COMPLETIONS)						0	181485		181485
	8870	ICC-TANK RENTAL (COMPLETION)						0	52600		52600
	8911	ICC-WATER HAULING & DISPOSAL						0	371166		371166
Special Services											
8070		IDC-TELECOMM SERVICES						19125		0	19125
8718		IDC-BHA & TUBULAR INSPECTION						25000		0	25000
8734		IDC-CASING CREWS						51000		0	51000
8742		IDC-TRUCKING & HAULING (DRILLING)						40000		0	40000
8743		IDC-WELLHEAD SERVICES (DRILLING)						12000		0	12000
8757		IDC-DIRECTIONAL EQUIPMENT SERVICES						322346		0	322346
8774		IDC-FACILITIES LABOR (DRILLING)						40000		0	40000
8783		IDC-FLUID & CUTTING DISPOSAL						100000		0	100000
8823		IDC-LIVING FACILITIES & SANITATION						24225		0	24225
8885		IDC-SLIDS CNTL EQUIP & INSTALL						86700		0	86700
8911		IDC-WATER HAULING (DRILLING)						40000		0	40000
	8299	ICC-FRAC WATER HAULING						0	462715		462715
	8703	ICC-HOT OIL UNIT/TANK HEATNG						0	45000		45000
	8718	ICC-BHA & TUBULAR INSPECTION						0	0		0
	8728	ICC-COIL TUBING & SNUBBING						0	285000		285000
	8733	ICC-CASED HOLE LOGGING SERVICES						0	14285		14285
	8734	ICC-CASING CREWS						0	68875		68875
	8735	ICC-COMPLETION RIG SERVICES						0	75600		75600
	8738	ICC-PERFORATING SERVICES						0	269600		269600
	8740	ICC-RIG MOBIL/DEMOLIZATN						0	10000		10000
	8742	ICC-TRUCKING & HAULING (COMPLETION)						0	45000		45000
	8743	ICC-WELLHEAD SERVICES (COMPLETION)						0	17750		17750
	8774	ICC- FACILITIES LABOR						0	100000		100000
	8823	ICC-LIVING FACILITIES & SANITATION						0	5662		5662
	8843	ICC-FLOWBACK SERVICE						0	126800		126800
	8868	ICC-RENTAL EQUIPMENT - DOWNHOLE						0	40000		40000
Materials											
8216		IDC-MISC MATERIALS & SUPPLIES (DRILLING)						15000		0	15000

8732		IDC-BITS	105000	0	105000
8758		IDC-DRILL FLUIDS CHEMICALS	100000	0	100000
8910		IDC-WATER	20000	0	20000
	8846	ICC-PACKERS & PLUGS	0	248016	248016
	8910	ICC-WATER	0	499200	499200
Access Location and Cleanup					
8252		IDC-CULTURAL/PALEO - SERVICES	70000	0	70000
8631		IDC-TRIBAL WELL FEES	100000	0	100000
8730		IDC-ACCESS/LOC CONSTRUCTION SERVICE	80000	0	80000
8772		IDC-ENVIRONMENTAL MITIGATION	30000	0	30000
8791		IDC-PERMITS, SURVEYS, MAPPING	40000	0	40000
8875		IDC-ACCESS LOCATION CONSTRUCTION MATERIALS	5000	0	5000
8877		IDC-ROW USE AGREEMENT	25000	0	25000
8899		IDC-DRILLING TITLE OPINION-ABSTRACT	30000	0	30000
	8240	ICC-RECLAMATION/RESEEDING - MATERIALS	0	1667	1667
	8260	ICC-RECLAMATION/RESEEDING - SERVICES	0	10000	10000
	8730	ICC-ACCESS & LOCATION (COMPLETION)	0	20000	20000
	8875	ICC-ACCESS LOCATION CONSTRUCTION MATERIALS	0	30000	30000
Contract Supervision/Contract Professional Services etc.					
8753		IDC-CONTRACT GEOLOGY	35000	0	35000
8790		IDC-CONTINGENCY	350000	0	350000
8917		IDC-WELLSITE SUPERVISION (DRILLING)	120488	0	120488
	8790	ICC-CONTINGENCY	0	200000	200000
	8917	ICC-WELLSITE SUPERVISION	0	136650	136650
8310	8410	Offset Well Intangible			
Offset Well Intangible					
Total Intangible Costs			3050960	5962097	9013057
Well Connect					
Total Well Connect Costs			0	0	0
Total Cost			3290356	6157041	9447397
Working Interest					
Working Interest Owner				Decimal	Cost Share
WPX ENERGY WILLISTON LLC				1.00000000	9447397
Totals				1.00000000	9447397
Approvers					
Date:	08/20/2015	Prepared By:	Therese Smith		
Date:			Jim Jackson		
Date:			Thomas Hellman		
Date:			Brian Wold		
Date:			Clay Gaspar		
Date:		Partners Approval:			
Estimated costs only - Each participating Owner to pay proportionate share of Actual Well Costs					